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## *Memorandum*

TO: BATA Oversight Committee

DATE: May 4, 2011

FR: Executive Director

W. I. 1254

RE: Contract Amendment – Collection Services: Professional Account Management, LLC

In September 2007 following a competitive procurement, this Committee approved a contract with Professional Account Management, LLC (“PAM”) to perform collection services on toll violations and delinquent FasTrak<sup>®</sup> accounts. The contract is due to expire on June 30, 2013. Currently, this Committee has approved \$800,000 to compensate PAM for its collection services. PAM is reimbursed for its recoveries on a commission basis (30 percent of sums collected for violations and closed delinquent accounts and 40% of sums collected for legal collections).

Between January, 2009 and January, 2011, PAM has collected \$2,757,493 and has been paid \$775,000. An additional amount not to exceed \$1,275,000 is needed to cover anticipated commissions for the remainder of Fiscal Year (FY) 2010-2011 through FY 2012-2013. After the proposed addition, the total contract value would be \$2,075,000.

### **Recommendation**

Staff recommends that the Committee authorize the Executive Director or his designated representative to negotiate and enter into a contract amendment with PAM to add funds in an amount not to exceed \$1,275,000 for the remainder of the contract term, broken down in the following increments -- FY 2010-11: \$275,000; FY 2011-12: \$500,000; and FY 2012-13: \$500,000, subject to the approval of future BATA operating budgets.

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Steve Heminger

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Contract Amendment

Work Item No.:	1254
Vendor:	Professional Account Management, LLC
Work Project Title:	Collection Services
Purpose of Project:	Add funds to cover anticipated commissions for collection services for toll violations and delinquent FasTrak <sup>®</sup> accounts through June 30, 2013.
Brief Scope of Work:	Perform collection services for delinquent FasTrak <sup>®</sup> accounts and for toll violations occurring on the seven State-owned Bay Area bridges and Golden Gate Bridge. The seven Bay Area bridges are: Antioch, Benicia, Carquinez, Dumbarton, Richmond-San Rafael, San Francisco-Oakland, and San Mateo-Hayward.
Project Cost Not to Exceed:	\$1,275,000 this amendment (contract amount before this amendment = \$800,000; total contract amount including this amendment = \$2,075,000)
Funding Source:	BATA violation revenue
Fiscal Impact:	FY 2010-2011: \$275,000. FY 2011 – 2012: \$500,000 and FY 2012-2013: \$500,000, subject to approval of FY 2011-2012 and FY 2012-2013 Operating Budgets.
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with Professional Account Management, LLC <a href="#">to add funds in the amount not to exceed \$1,275,000</a> for the services described above. The Chief Financial Officer is authorized to set aside funds in the maximum amount of \$1,275,000 for such contract amendment subject to approval of the operating budget in FY 2011-2012 and FY 2012-2013.
BATA Oversight Committee:	<hr/> Bill Dodd, Chair
Approved:	Date: May 11, 2011